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OF COUNSEL  
URBAN A. LESTER

December 9, 1997

RECORDATION NO. 21047

FILED

DEC 9 - '97

10-35 AM

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
DEC 9 10 33 AM '97

*Sp. L.*  
Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Security Agreement (Mortgage), dated as of ~~May 1, 1996~~ <sup>May 1, Dec. 2, 1997</sup>, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Borrower: National Railroad Passenger Corporation  
60 Massachusetts Avenue NE  
Washington, DC 20002

Secured Party: Export Development Corporation  
151 O'Connor Street  
Ottawa, Canada K1A 1K3

A description of the railroad equipment covered by the enclosed document is set forth on page 2 of the Security Agreement.

Mr. Vernon A. Williams  
December 9, 1997  
Page 2

Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/bg  
Enclosures

RECORDATION NO.

21047

FILED

DEC 9 - '97

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DATED AS OF December 2, 1997

NATIONAL RAILROAD PASSENGER CORPORATION

AND

EXPORT DEVELOPMENT CORPORATION  
as COLLATERAL AGENT

**SECURITY AGREEMENT (MORTGAGE)**

## **SECURITY AGREEMENT (MORTGAGE)**

On this 2 day of December, 1997, the NATIONAL RAILROAD PASSENGER CORPORATION, 60 Massachusetts Avenue, N.E., Washington, D.C. 20002 (hereinafter referred to as the "BORROWER"), and EXPORT DEVELOPMENT CORPORATION, Place Export Canada, 151 O'Connor Street, Ottawa, Canada K1A 1K3, as Collateral Agent acting on behalf of the LENDERS, (together with its successors and assigns as Collateral Agent hereinafter referred to as the "COLLATERAL AGENT"), hereby agree as follows:

### **ARTICLE I SECURITY INTEREST**

In consideration of the benefits conferred upon the BORROWER under the Loan Agreement dated as of December 2, 1997 between the BORROWER, EDC and MBK RAIL FINANCE CORPORATION, as LENDERS, and EDC, as AGENT and COLLATERAL AGENT (the "LOAN AGREEMENT"), pursuant to which the LENDERS (a) have lent or will lend monies to the BORROWER, and (b) by making loans and incurring obligations, has given or will give value to enable the BORROWER to acquire rights in and use of the COLLATERAL (as herein defined), and pursuant to the terms and conditions of the LOAN AGREEMENT, the BORROWER hereby grants to and recognizes in the COLLATERAL AGENT a security interest (purchase money and otherwise) in the COLLATERAL, to secure the BORROWER's performance and payment hereunder, under the LOAN AGREEMENT and under the FINANCE LEASE.

### **ARTICLE II COLLATERAL**

The collateral subject to this SECURITY AGREEMENT (MORTGAGE) (herein referred to as "COLLATERAL") is all of the BORROWER's right, title and interest in the property of the following description whether now existing or hereafter arising or acquired, and wherever located, and (notwithstanding that power of sale is limited by agreement) whatever may be received upon sale, exchange, collection or other disposition thereof (such receipts, products and proceeds in whatever form, including without limitation trades, exchanges, goods, accounts including contract rights, instruments, documents, chattel paper, general intangibles, money, bank accounts and deposits and all insurance proceeds payable by reason of loss of or damage to the COLLATERAL):

Up to the 18 high speed trainsets, one trainset simulator, one inspection car, four instrumented wheelsets and up to 15 electric locomotives and five locomotive simulators and components thereof (whether inventory, equipment, or otherwise) acquired and to be acquired, including without limitation rights to acquire the same, under COMMERCIAL CONTRACT A and COMMERCIAL CONTRACT B, respectively, (collectively, the "COMMERCIAL

CONTRACTS"), whenever amended, among, from or through the BORROWER and a consortium comprised of Bombardier Corporation and GEC Alsthom Transportation Inc. (the "EXPORTER"), and including, further, without limitation those described as:

- (a) type of equipment: up to 15 electric locomotives and five locomotive simulators (the "UNITS") and up to 18 highspeed trainsets, one trainset simulator, one inspection car and four instrumented wheelsets (the "TRAINSETS") and accessories used thereon (UNITS and TRAINSETS and such accessories hereinafter referred to collectively as "GOODS"):

		(Identification Particulars)	Amtrak Equipment Numbers (inclusive)
(i)	Units	Locomotives	650 - 664
(ii)	Trainsets	Locomotives Middle Coaches Club Cars End Coach Cars	2000 - 2035 3500 - 3553 3300 - 3317 3400 - 3435

- (b) identifying marks (may include but are not limited to): names, marks, logos or colours of National Railroad Passenger Corporation and AMTRAK;

together with all of BORROWER's interest pursuant to Section 4.1 of COMMERCIAL CONTRACT A and Section 3.1 of COMMERCIAL CONTRACT B, in each of the following items, as each such item relates to the GOODS, all fabricated and unfabricated parts, work in progress, dies, jigs, fixtures, plans, drawings, information, contract rights, completed Work (as such term is defined in each of the COMMERCIAL CONTRACTS, respectively, the "Work") related to the GOODS, supplies, and other material and property produced as part of, or specifically acquired in connection with, the performance of the Work related to the GOODS, including without limitation all books, files, records, completed or partially completed plans, drawings and fabrication drawings relating to the GOODS, and any other property which is required to be furnished to the BORROWER which is related to the GOODS upon completion of the GOODS, and all products and proceeds thereof together with all substitutions, renewals, replacements, returns, repossessions, additions, improvements, accessions and exchanges of all of the foregoing ("REPLACEMENT GOODS");

together with all records of all of the foregoing ("RECORDS").

But excluding from the COLLATERAL, any portion of the COMMERCIAL CONTRACTS that are not assigned to the COLLATERAL AGENT pursuant to the ASSIGNMENT.

### **ARTICLE III FINANCING STATEMENT**

As necessary to fully perfect and give notice of the LENDERS' interests in the COLLATERAL and/or at the request of the COLLATERAL AGENT, the BORROWER will join in executing, or will execute, as appropriate, all necessary documents, including agreements, mortgages, assignments, financing statements, filings, continuation statements and any other documents necessary or appropriate for perfection or continuation of the LENDERS' security interest and other interests (herein referred to as SECURITY DOCUMENTS), all in form both legally appropriate and satisfactory to the COLLATERAL AGENT, and will pay the costs of filing and recording any such SECURITY DOCUMENTS wherever legally appropriate or the COLLATERAL AGENT deems necessary or desirable. (a) upon full satisfaction of all of the OBLIGATIONS (as defined in the LOAN AGREEMENT), (b) in the case of leased GOODS to which BORROWER does not retain title, on the closing of the applicable lease transaction under such Section 12.03, (c) in the case of leased GOODS as to which the BORROWER retains title, upon full satisfaction of the applicable obligor's obligations under the notes issued in replacement for NOTE pursuant to the applicable lease transaction under Section 12.03 of the LOAN AGREEMENT or (d) after the payment of the MAXIMUM TOTAL LOSS PAYABLE (as defined in the LOAN AGREEMENT) with respect to a UNIT or TRAINSET or of a stipulated loss value amount with respect to any leased UNITS or TRAINSETS, it shall be BORROWER's or such obligor's responsibility to obtain from the COLLATERAL AGENT the COLLATERAL AGENT's signature on and subsequently to file any documents necessary to evidence termination of the security and other interests granted and provided for herein (in full or with respect to the applicable UNITS or TRAINSETS or leased UNIT or TRAINSET, as the case may be), including any termination statements. The COLLATERAL AGENT shall cooperate with the BORROWER or such obligor in providing any necessary the COLLATERAL AGENT signatures for such documents. The BORROWER warrants that no lien, including, without limitation, any lien perfected by or arising from any financing statement or mortgage, directly or indirectly covering the COLLATERAL or any part thereof in favour of anyone who may claim by, through, or under the BORROWER exists or is presently on file in any public office other than PERMITTED LIENS (as defined below).

### **ARTICLE IV LOCATION AND IDENTIFICATION OF BORROWER AND THE COLLATERAL**

The BORROWER shall maintain as part of the COLLATERAL such records as are necessary to identify the location of any and all COLLATERAL which is subject to this SECURITY AGREEMENT (MORTGAGE). The BORROWER's principal office and place of business, chief executive office and office where records pertaining to the COLLATERAL are maintained and located at 60 Massachusetts Avenue, N.E., Washington, D.C. 20002. Prior to conditional acceptance of the COLLATERAL by the BORROWER pursuant to the COMMERCIAL CONTRACTS the COLLATERAL may from time to time be located at the locations identified on Exhibit "A" hereto. The BORROWER shall inform the COLLATERAL AGENT of any

other location of the COLLATERAL, other than passenger rail vehicles and rolling stock, or of any change in location of a significant portion of such COLLATERAL prior to such change.

## **ARTICLE V PROTECTION OF COLLATERAL**

The BORROWER shall keep the COLLATERAL in good order and repair, ordinary wear and tear excepted, shall not waste or destroy the COLLATERAL or any part thereof and shall use and maintain the COLLATERAL subject to scheduling in the ordinary course of the BORROWER's maintenance program, so that the BORROWER is in compliance with any provision of any APPLICABLE LAW, or rule, regulation, interpretation, code or order of any government or subdivision, agency or authority and of the Federal Railroad Administration ("FRA") or other person authorized to promulgate such rules, regulations, interpretations or orders; provided however, that the BORROWER may upon written notice to the LENDERS, in good faith, contest the validity or application of any such law, rule, regulation, interpretation, code or order in any reasonable manner, that does not, in the reasonable opinion of the BORROWER materially and adversely affect the rights of the LENDERS and the COLLATERAL AGENT hereunder or under the LOAN AGREEMENT or create material risk of any criminal or material civil liability on the part of the LENDERS and the COLLATERAL AGENT or involve any material risk of loss, forfeiture or sale of the COLLATERAL. Subject to the preceding sentence, the BORROWER may take a GOOD out of service while awaiting repair so long as the BORROWER takes reasonable care to prevent deterioration of the condition of such GOOD beyond that attributable to the circumstances necessitating such repair. With regard to any loss or damage to the COLLATERAL, the BORROWER shall comply with the provisions of the LOAN AGREEMENT. The BORROWER shall maintain complete, accurate and reasonable records showing the condition, maintenance, and use of the COLLATERAL. The COLLATERAL AGENT and the LENDERS shall, at their own risk and at the expense of the LENDERS, have the right to examine and inspect the COLLATERAL and any records related thereto, to such extent and at such times as are reasonable in the circumstances.

The BORROWER shall defend the COLLATERAL against any and all claims and demands of any and all persons at any time claiming the same or any interest therein. The BORROWER promptly shall notify the LENDERS as to any claim or demand against the COLLATERAL not constituting a PERMITTED LIEN in order to afford the COLLATERAL AGENT and the LENDERS an opportunity to intervene as to such claim or demand; provided that the BORROWER may at its own expense in good faith, contest the validity or application of any such claim or demand or lien in any manner which does not, in the reasonable opinion of the BORROWER, materially and adversely affect the rights of the LENDERS or the COLLATERAL AGENT hereunder or under the LOAN AGREEMENT or create material risk of any criminal or material civil liability on the part of the LENDERS or the COLLATERAL AGENT or involve any material risk of loss, forfeiture or sale of the COLLATERAL.

## **ARTICLE VI ALIENATION OF COLLATERAL**

Except as provided in this Article VI, until all of the BORROWER's debts and OBLIGATIONS have been fully satisfied, the BORROWER shall not, without prior express written consent from the REQUIRED LENDERS, acting through the COLLATERAL AGENT, sell, contract to sell, lease, assign, encumber, or otherwise dispose of, transfer, or relinquish possession or control of all or any part of the COLLATERAL or any interest therein, except (i) in accordance with Section 12.03 or 12.04 of the LOAN AGREEMENT, (ii) in connection with entering into a FRENCH LEASE of the COLLATERAL, or (iii) as to a security interest which is subordinate to the security interest of the LENDERS, provided, however, that no such subordinate security interest may attach until the COLLATERAL AGENT, upon receipt from the BORROWER of evidence of such proposed subordinate security interest and in the exercise of the COLLATERAL AGENT's reasonable judgment, determines that such proposed security interest is in fact subordinate.

Subject to the REQUIRED LENDERS, acting through the COLLATERAL AGENT, consent, which consent shall not be unreasonably withheld or delayed and which consent is not required in respect to any lease of the GOODS to a Governmental Agency or to a railroad (within the meaning of U.S. Bankruptcy Act) the BORROWER shall be entitled to enter into a lease for the GOODS subject to all the terms and conditions of this SECURITY AGREEMENT (MORTGAGE), the FINANCE LEASE AGREEMENT and the LOAN AGREEMENT; provided, that the BORROWER's obligations hereunder and thereunder shall continue in full force and effect as the obligations of a principal and not of a surety irrespective of any such lease. Each lease permitted by this paragraph shall (unless otherwise consented to by the REQUIRED LENDERS, acting through the COLLATERAL AGENT, which consent will not be unreasonably withheld or delayed), (a) be expressly subject and subordinate to all of the provisions of this SECURITY AGREEMENT (MORTGAGE) and to the rights and remedies of the LENDERS under the LOAN AGREEMENT and of the LESSOR under the FINANCE LEASE AGREEMENT in respect of the GOODS covered by such lease and (b) not be to an entity which is then subject to a proceeding under the Bankruptcy Code. For purposes of clause (b) of the preceding sentence, "leases" shall not include leases or other use arrangements under which the BORROWER retains direct operational control of the GOODS or maintenance responsibility.

The COLLATERAL AGENT may not assign its rights and obligations under this SECURITY AGREEMENT (MORTGAGE).

## **ARTICLE VII TAXES, ASSESSMENTS AND CHARGES**

The BORROWER shall pay promptly when due all taxes, assessments, and other public charges upon the COLLATERAL or upon its possession, ownership, or operation, including, without limitation, any property, excise, sales or other tax or charge. The BORROWER shall not be



required to pay or discharge any such TAXES so long as it shall in good faith and by appropriate administrative or legal proceedings contest the validity thereof in a reasonable manner which will not affect or endanger the title of the BORROWER or the security interest of the COLLATERAL AGENT in the COLLATERAL, and the BORROWER shall reimburse the LENDERS and the COLLATERAL AGENT for any damages or expenses resulting from such failure to pay or discharge.

The provisions of Articles V and VII hereof shall not be deemed to require defense or discharge of the following liens referred to herein as PERMITTED LIENS: (a) liens for taxes, assessments, governmental levies or other liens, in each case not due and delinquent, or undetermined; (b) inchoate materialman's, mechanic's, workman's, repairman's or other like liens arising in the ordinary course of business and, in each case not adversely affecting the security interest of the COLLATERAL AGENT in the COLLATERAL; (c) interests created in connection with or permitted by any lease transaction entered into in accordance with Section 12.03 or 12.04 of the LOAN AGREEMENT or in connection with any FRENCH LEASE of the COLLATERAL; and (d) the lien of the FRA Security Agreement dated October 5, 1983 by and between the BORROWER and the Federal Railroad Administration (the "FRA") as subordinated pursuant to the Subordination Agreement and Consent to Superior Obligation and Lien dated as of December 2, 1997 among the FRA, the BORROWER and EDC (the "SUBORDINATION AGREEMENT") and Leases permitted under this Article VI.

### **ARTICLE VIII REIMBURSEMENT OF SECURED PARTY'S EXPENSES**

At its option, the COLLATERAL AGENT may, upon prior written notice to the BORROWER, at any time discharge, or cause to be discharged, without thereby waiving any default, any taxes, assessments, or other public charges and any liens, security interests, or other encumbrances on the COLLATERAL required to be discharged or defended by the BORROWER hereunder, except a security interest which is subordinate to the security interest of the COLLATERAL AGENT, provided, however, that, as to such subordinate security interest, the BORROWER shall have fulfilled its obligations under ARTICLE VI of this SECURITY AGREEMENT (MORTGAGE), if applicable; perform or cause to be performed any actions, conditions, obligations, or covenants that the BORROWER has failed or refused to perform with respect to third parties; and pay for the repair, maintenance and preservation of the COLLATERAL required hereunder; provided, however, that as to a failure to discharge, perform, pay, or otherwise act within the contemplation of this paragraph which is capable of cure within 30 days of such notice, the BORROWER shall have an opportunity to cure such failure until the earlier of 30 days from such notice, the date on which the BORROWER in any manner evidences that it will not cure the failure, or the time at which a third party is legally empowered in the good faith opinion of the COLLATERAL AGENT to take action against or possession of the COLLATERAL.

The COLLATERAL AGENT shall promptly provide the BORROWER with notice of its discharge, performance, payment, or other action pursuant to the foregoing paragraph and,

thereafter, the BORROWER shall reimburse the COLLATERAL AGENT on demand for any reasonable payment made or reasonable expense incurred by the COLLATERAL AGENT pursuant to the foregoing paragraph. All sums so expended shall bear interest at the FLOATING INTEREST RATE as defined in the LOAN AGREEMENT plus 2% per annum, commencing from the date of notice by the COLLATERAL AGENT until such sums are paid to the COLLATERAL AGENT and, until so paid, such sums together with interest shall constitute additional OBLIGATIONS of the BORROWER and be secured by the COLLATERAL under this SECURITY AGREEMENT (MORTGAGE).

## **ARTICLE IX THE BORROWER'S WARRANTIES, REPRESENTATIONS**

The BORROWER warrants and represents to the COLLATERAL AGENT and the LENDERS, which warranties and representations shall remain true and correct and shall survive the execution and delivery hereof and shall survive until the satisfaction of the OBLIGATIONS and all payments, performances and obligations hereunder that:

- (a) all statements, representations, warranties and undertakings of the BORROWER hereunder (and under the incorporated LOAN AGREEMENT and the SECURITY DOCUMENTS) or in any statement or writing in connection herewith (and therewith) are true and correct other than statements, representations and warranties by their terms made as of a particular date, in which case such statements, representations and warranties shall be true as of such date, however nothing in this paragraph limits or expands the representations or warranties contained in any other of the SECURITY DOCUMENTS;
- (b) the BORROWER will pay, keep and perform all OBLIGATIONS under the AGREEMENTS;
- (c) the BORROWER has, or, as to any COLLATERAL to be acquired after the date hereof will have, full and complete ownership of and title to the COLLATERAL, free and clear of any liens, encumbrances, interests, impositions or claims of all persons except, as of the date hereof, the security interests of the COLLATERAL AGENT and PERMITTED LIENS and, at any time hereafter, any additional person(s) holding security interest(s) subordinate to the COLLATERAL AGENT (it being understood by the COLLATERAL AGENT, however, (i) that title to certain tangible items of COLLATERAL will not be acquired by the BORROWER until conditional acceptance thereof under the COMMERCIAL CONTRACT and (ii) that the BORROWER may not be the owner of the lines of railway over which portions of the COLLATERAL will be operated);
- (d) the BORROWER has not granted, as of the date hereof, any security interest in the COLLATERAL to any person other than the Federal Railroad Administrator, which interest is or will be subordinated to the COLLATERAL AGENT'S security interest in the COLLATERAL, and the COLLATERAL AGENT'S security interest in the COLLATERAL is and will be under the laws of the United States, the states thereof and

the District of Columbia, to the maximum extent the BORROWER has rights in the COLLATERAL under the COMMERCIAL CONTRACT or otherwise (i) valid and enforceable, (ii) fully perfected and protected by the filing of this Agreement with the Surface Transportation Board pursuant to 49 U.S.C. §11301 and the filing of appropriate documents, including financing statements and, where required, this SECURITY AGREEMENT (MORTGAGE), with the Recorder of Deeds of the District of Columbia and the Secretary of State of Vermont or in any other state of the United States or subdivision thereof deemed necessary or desirable by the COLLATERAL AGENT under the Uniform Commercial Code as enacted, or other applicable federal or state law, without any further or other filing in the United States (except continuation statements), ASSIGNMENT, possession or otherwise of any COLLATERAL or any agreement, document or instrument of or pertaining thereto, and (iii) first, valid and enforceable security and mortgagee's purchase money interests, prior and superior to all claims, liens, charges, attachments and encumbrances of all persons, except and only to the extent specifically accepted by the COLLATERAL AGENT in writing prior to creation of any other security interest;

- (e) the loans and disbursements of the LENDERS under the LOAN AGREEMENT will in fact be used to enable the BORROWER to acquire its rights in and use of the COLLATERAL;
- (f) the BORROWER will maintain insurance in accordance with the LOAN AGREEMENT naming the LENDERS, the AGENT and the COLLATERAL AGENT as an additional insured in the case of liability insurance and the COLLATERAL AGENT as the loss payee in the case of Property Insurance and deliver evidence of effectiveness and continuation thereof as the COLLATERAL AGENT may request;
- (g) this SECURITY AGREEMENT (MORTGAGE) is the legal, valid and binding obligation of the BORROWER, enforceable against the BORROWER in accordance with its terms;
- (h) the BORROWER will indemnify and save harmless the COLLATERAL AGENT and the LENDERS from and against any and all claims, costs and expenses (including without limitation reasonable experts' and attorneys' fees) pertaining to or arising from the default, inaccuracy or failure of the foregoing representations and warranties.
- (i) each UNIT or TRAINSET accepted by the BORROWER under the COMMERCIAL CONTRACT will be built in compliance with and conform to all standards and requirements of the Federal Railroad Administration.

## **ARTICLE X REMEDIES OF SECURED PARTY**

So long as an EVENT OF DEFAULT under the LOAN AGREEMENT shall have occurred and is continuing:

- (a) the REQUIRED LENDERS may, subject to the terms and conditions of the LOAN AGREEMENT, declare all OBLIGATIONS secured hereby immediately due and payable and the LENDERS and the COLLATERAL AGENT may proceed to enforce payment of the same and exercise any and all rights and remedies provided by the District of Columbia Code, as well as any and all other legal, equitable, or contractual rights and remedies possessed by the LENDERS and the COLLATERAL AGENT;
- (b) subject to subparagraph (a) above, the COLLATERAL AGENT, (acting at the direction of the REQUIRED LENDERS) shall have the right to take possession of and remove the COLLATERAL from the BORROWER's property or wherever located. The COLLATERAL AGENT, (acting at the direction of the REQUIRED LENDERS) may require the BORROWER to assemble the COLLATERAL and make it available to the COLLATERAL AGENT at any place to be designated by the COLLATERAL AGENT that is reasonably convenient to both parties. For purposes of possession and removal of the COLLATERAL, the COLLATERAL AGENT or its authorized representatives may peaceably enter any property of the BORROWER or on which the COLLATERAL is located without legal process, and the BORROWER hereby waives and releases the COLLATERAL AGENT or the LENDERS and agrees to indemnify each of the COLLATERAL AGENT and the LENDERS of and from any and all claims in connection therewith or arising therefrom, except for claims arising out of gross negligence or willful misconduct of such COLLATERAL AGENT or LENDER or its authorized representatives;
- (c) on obtaining possession of the COLLATERAL upon an EVENT OF DEFAULT under the LOAN AGREEMENT, the COLLATERAL AGENT may lease, sell or otherwise dispose of the COLLATERAL or any part thereof in any manner permitted by law, including disposition at a public or private sale either with or without having the COLLATERAL at the place of sale, and in a commercially reasonable manner. Insofar as may be lawful, the COLLATERAL AGENT or any LENDER may be a purchaser at such sale. The COLLATERAL AGENT shall give the BORROWER reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is given pursuant to Article XII hereof at least ten (10) days before the time of the sale or disposition. The net proceeds of such sale, after deducting all expenses of the COLLATERAL AGENT in taking, storing, repairing, preparing for sale of and selling the COLLATERAL, including reasonable attorneys fees and legal costs, shall be credited against the BORROWER's Obligations in accordance with Section 4.07 of the LOAN AGREEMENT. Any surplus shall be paid to the Federal Railroad Administrator, if legally entitled thereto. In the event of a deficiency, the BORROWER shall pay such deficiency to the LENDERS on demand with interest after default as specified in the LOAN AGREEMENT and the FINANCE LEASE AGREEMENT, as the case may be.

If suit is brought or any proceeding is instituted by the COLLATERAL AGENT in good faith in connection with this SECURITY AGREEMENT (MORTGAGE), there shall be due from the BORROWER to the COLLATERAL AGENT, immediately on the commencement thereof, reasonable attorneys fees in such action or proceeding, which sum is hereby secured. In any such action or proceeding, the COLLATERAL AGENT shall be entitled to the employment of a receiver, without notice, to take possession of all or any part of the COLLATERAL in accordance with the provisions hereof and the SUBORDINATION AGREEMENT and to exercise such powers as the court shall confer upon such receiver.

## **ARTICLE XI AUTHORIZED SIGNATORIES**

All notices, communications, certificates and other documentation required to be delivered to the COLLATERAL AGENT pursuant to the provisions of this SECURITY AGREEMENT (MORTGAGE) shall be signed by an individual duly authorized for that purpose. The BORROWER agrees with the COLLATERAL AGENT that it will forthwith after the execution of this SECURITY AGREEMENT (MORTGAGE), deliver to the COLLATERAL AGENT a written statement signed by an officer setting forth the names and occupations of individuals in its employ who are so authorized to sign on its behalf together with specimen signatures for each individual, and acknowledges and agrees that the COLLATERAL AGENT shall, without further evidence or confirmation and until notified in writing to the contrary (effective only upon actual receipt by the COLLATERAL AGENT), be entitled to rely upon the authority of such individual or individuals, as the case may be, and any of the foregoing instruments signed by such individual or individuals in accordance with the written statement shall be binding upon it. For the foregoing purposes, a telex or telefax shall be deemed to be signed by the individual or individuals whose names are typed thereon as the signatory or signatories of that telex or telefax.

## **ARTICLE XII NOTICE**

Every notice, demand, request, consent, approval, waiver or agreement to be given or made hereunder shall, save as otherwise herein specifically provided, be in writing and shall be delivered by hand or sent by prepaid air mail or by telex or telefax and shall be deemed to have been given and received, if delivered by hand, upon delivery, if sent by mail, the 10th day (excluding Saturdays and Sundays) following the date of mailing, and if sent by telex or telefax the second day (excluding Saturday and Sunday) following the date of transmission. The mailing address, telex number or telefax number of each of the parties for such purposes shall respectively be:

for the BORROWER,

NATIONAL RAILROAD PASSENGER CORPORATION  
400 North Capitol Street, N.W.  
Washington, D.C. 20001

Attention: Treasurer

Telefax: (202) 906-4704

for the COLLATERAL AGENT,

EXPORT DEVELOPMENT CORPORATION  
151 O'Connor Street  
Ottawa, Canada K1A 1K3

Attention: Loans Operations

Telex: 053-4136 EXCREDCORP OTT  
Telefax: (613) 598-2514

or such other mailing address, telex number or telefax number as any party may, for itself, from time to time notify the others as aforesaid.

### **ARTICLE XIII PROPER LAW**

This Agreement shall be deemed to be made under and shall be governed by and construed in accordance with the local laws of the District of Columbia, U.S.A. except and to the extent precluded by other local laws of mandatory application; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. 11301.

### **ARTICLE XIV WAIVER**

Any single partial exercise by the COLLATERAL AGENT of any right or remedy for a default or breach of any term of this SECURITY AGREEMENT (MORTGAGE) shall not, and any failure to exercise or deal in exercising any such rights or remedies shall not, be or be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the COLLATERAL AGENT may be lawfully entitled for the same default or breach; and any waiver by the COLLATERAL AGENT of the strict observance or performance of or compliance with any term of this SECURITY AGREEMENT (MORTGAGE) shall not be deemed to be a waiver of any subsequent default or breach.

**ARTICLE XV  
SUCCESSORS AND ASSIGNS**

This SECURITY AGREEMENT (MORTGAGE) shall be binding upon and enure to the benefit of the BORROWER, the COLLATERAL AGENT and the LENDERS and their respective successors and assigns; provided, that the BORROWER may not assign or transfer all or any part of its rights or obligations hereunder without the prior express written consent of the COLLATERAL AGENT.

**ARTICLE XVI  
DEFINITIONS**

Capitalized terms and phrases used and not otherwise defined herein shall for all purposes of this SECURITY AGREEMENT (MORTGAGE) have the respective meanings specified therefor in Article I of the LOAN AGREEMENT.

IN WITNESS WHEREOF the parties hereto have signed and delivered this SECURITY AGREEMENT (MORTGAGE).

NATIONAL RAILROAD PASSENGER CORPORATION

Signature:  
(Print Name):

EXPORT DEVELOPMENT CORPORATION,  
as Collateral Agent

Signature:  
(Print Name):

Signature:  
(Print Name):

## **EXHIBIT "A"**

### **LOCATION OF COLLATERAL**

71 Wall Street  
Plattsburgh, NY 12901

P.O. Box 768  
Barre, VT 05641

P.O. Box 11130  
Pueblo, CO 81001

130, Route 230  
P.O. Box 580  
LaPocatiere, Quebec GOR 1Z0

Two Frontage Road  
Boston, MA 02118

39-29 Honeywell Street (Sunnyside)  
Long Island City, NY 11101

1401 West Street, N.E.  
Washington, DC 20018



IN WITNESS WHEREOF the parties hereto have signed and delivered this SECURITY AGREEMENT (MORTGAGE).

NATIONAL RAILROAD PASSENGER CORPORATION

Signature:

(Print Name):  BRIAN D. ADAM

EXPORT DEVELOPMENT CORPORATION,  
as Collateral Agent

Signature:

(Print Name):

Signature:

(Print Name):

STATE OF MARYLAND

) ss

COUNTY OF ANNE ARUNDEL )

On this 26 day of November, 1997 before me personally appeared BRIAN D. ADAM, to me personally known, who being by me duly sworn, says that he is the TREASURER of NATIONAL RAILROAD PASSENGER CORPORATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Shawna Simmons  
Notary Public

My Commission Expires:

9/98

SEAL


IN WITNESS WHEREOF the parties hereto have signed and delivered this SECURITY AGREEMENT (MORTGAGE).

NATIONAL RAILROAD PASSENGER CORPORATION


Signature:  
(Print Name):

EXPORT DEVELOPMENT CORPORATION,  
as Collateral Agent

Signature:  
(Print Name):

  
Myles Edwards

Signature:  
(Print Name):

  
SEAN MITCHELL

PROVINCE OF ONTARIO

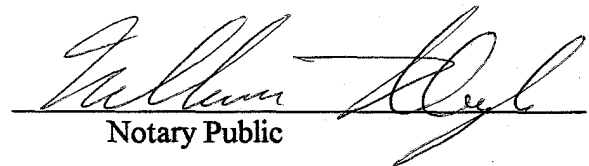
)

) ss

COUNTRY OF CANADA

)

On this 26th day of November, 1997, before me personally appeared Sean Mitchell, residing at Ottawa, Ontario, and Myles Edwards, residing at Ottawa, Ontario, to me personally known, who being by me duly sworn, says that they are Financial Services Managers, Transportation Department of EXPORT DEVELOPMENT CORPORATION, who acknowledged themselves to be duly authorized officers of the EXPORT DEVELOPMENT CORPORATION, and that, as such officers, being authorized to do so, they executed the foregoing instrument for the purposes therein contained.

  
Notary Public

My Commission Does Not Expire.

SEAL

PROVINCE OF ONTARIO

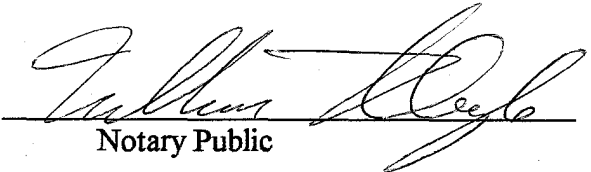
)

) ss

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Notary Public

My Commission Does Not Expire.

SEAL